

State of South Dakota

SEVENTY-FOURTH SESSION LEGISLATIVE ASSEMBLY, 1999

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HOUSE CONCURRENT RESOLUTION NO. 1008

Introduced by: Representatives Windhorst, Brown (Richard), Cutler, Duenwald, Eccarius, Fiegen, Fischer-Clemens, Haley, Hunt, Jaspers, Koetzle, Lucas, Monroe, Peterson, Roe, and Smidt and Senators Brown (Arnold), Albers, Dunn (Jim), Everist, Hainje, Halverson, Hutmacher, Kloucek, Olson, Rounds, and Whiting

1 A CONCURRENT RESOLUTION, Urging the United States Congress to establish an equitable
2 policy related to the tax deductibility of health insurance premiums.

3 WHEREAS, there are over forty million Americans, including millions of children, without
4 health insurance at any given time, and over seventy-five percent of these people are uninsured
5 for less than one year; and

6 WHEREAS, the cost of insurance is the most common reason why people are uninsured,
7 both temporarily and long-term, and affordability is the primary key to accessing health
8 insurance; and

9 WHEREAS, not all employers offer health insurance benefits, and those who do usually offer
10 a limited number of choices of plans; and

11 WHEREAS, employees who do not receive health insurance benefits from their employers,
12 employees who prefer a health insurance plan not offered by their employers, and the self-
13 employed who have no such choice, must purchase their insurance in the nongroup, individual
14 health insurance market, where it is much more expensive; and

15 WHEREAS, employers are able to deduct one hundred percent of the cost of providing

1 health insurance to their employees, and this is a nontaxable benefit for employees; and

2 WHEREAS, employees and self-employed individuals who purchase insurance in the
3 nongroup market cannot deduct the full cost of premiums and, thus, are forced to pay their
4 premiums with after-tax dollars; and

5 WHEREAS, people who must pay for health insurance policies with after-tax dollars are
6 twenty-four times more likely to be uninsured; and

7 WHEREAS, this inequity is rooted in a skewed tax policy based not on the nature of the
8 expense but rather on who funds the expense; and

9 WHEREAS, the tax code should not extend favorable treatment to one class of taxpayer
10 while denying the same treatment to others:

11 NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Seventy-
12 fourth Legislature of the State of South Dakota, the Senate concurring therein, that the
13 Legislature urges the United States Congress to establish a fair and equitable taxation policy for
14 health insurance premiums paid for by individuals. That policy shall promote the affordability and
15 accessibility of health insurance for the self-employed and for individuals and families that either
16 do not receive health insurance as a benefit of employment or prefer a health insurance plan not
17 offered through employment, and shall promote the economic and medical well-being of
18 American families, by establishing one hundred percent tax deductibility of health insurance
19 premiums, without delay, for all Americans.